

# EXHIBIT 21

## **Alta Mesa Announces second quarter 2018 Financial and operational results**

HOUSTON, Aug. 14, 2018 (GLOBE NEWSWIRE) -- Alta Mesa Resources, Inc., (NASDAQ: AMR, "Alta Mesa Resources", the "Company" or "Alta Mesa") today announced second quarter 2018 unaudited financial and operational results for its wholly owned subsidiaries, Alta Mesa Holdings, LP ("Alta Mesa Upstream" or "AMHLP") and Kingfisher Midstream, LLC ("Kingfisher Midstream" or "Kingfisher"). A conference call to discuss these results is scheduled for today at 10 a.m. Central time (888-347-8149).

### **Highlights:**

- Alta Mesa 2018 net production grew by more than 50% from average December daily production to estimated average July production of 31,800 BOE per day
- Kingfisher Midstream estimated July system gas volumes was 112 MMcf per day, up by more than 35% since the business combination in February 2018
- Kingfisher Midstream has initiated plans to expand an extensive produced water infrastructure platform to service Alta Mesa Upstream and third-party customers with the planned transfer of Alta Mesa Upstream's produced water system to Kingfisher Midstream
- Alta Mesa is providing a 2018 exit production guidance of 38,000 to 40,000 BOE per day, and updated annual production guidance of 29,000 to 31,000 BOE per day for full year 2018
- Alta Mesa Upstream and Kingfisher Midstream each expanded their operational footprint in the Northwest STACK, including the expansion of Kingfisher's high-pressure gas gathering system
- Alta Mesa's Board of Directors authorized a \$50 million Class A common share repurchase program

Hal Chappelle, Alta Mesa's President and Chief Executive Officer, stated, "During the second quarter we continued to execute on the three-year vision we laid out for Alta Mesa at the time of the business combination. With eight rigs running and plans to add a ninth rig shortly, we continue to deliver industry leading production growth. We are also continuing to identify and capture the unique opportunities for our combined upstream and midstream asset base, as evidenced by our expanded plans for the Northwest STACK announced today." Chappelle continued; "Our focus on cost control and optimized timelines in the face of broader market service cost inflation is a testament to our ability to achieve growth and expansion while maintaining our commitment to capital discipline and efficiency."

### **Second Quarter 2018 Financial Summary**

Net loss, attributable to Alta Mesa's stockholders, during the second quarter of 2018 was \$6.4 million or \$0.04 per basic and diluted share. Adjusted earnings before interest, income taxes, depreciation, depletion and amortization and exploration costs and other items ("Adjusted EBITDAX") was \$47.4 million for the second quarter of 2018. AMHLP had a net loss during the second quarter 2018 of \$22.5 million, and Adjusted EBITDAX of \$41.6 million. Kingfisher had a net loss during the second quarter of nearly \$3.1 million, and Adjusted EBITDA of \$6.1 million. Adjusted EBITDAX and Adjusted EBITDA are non-GAAP financial measures and are described in the attached table under "Non-GAAP Financial Information and Reconciliation. Alta Mesa deployed \$211.1 million on capital expenditures during the second quarter 2018, with \$191.2 million by Alta Mesa Upstream and \$19.9 million by Kingfisher Midstream. Alta Mesa Upstream spending includes drilling and completion costs, and investments in fresh water and produced water systems, certain lease payments and other capital. Alta Mesa Upstream has maintained drilling and completion costs at an average of \$3.8 million per well.

### **Alta Mesa Upstream Operational Results and Guidance Update**

Total production for the second quarter of 2018 was 2,334 MBOE, an average of 25,600 BOE per day. Production in the second quarter was impacted by offset well shut-ins for fracture stimulation effectiveness. Alta Mesa Upstream pattern development has increased significantly,

with 90% of the wells drilled in the second quarter being in multi-well patterns. Estimated July 2018 average production of 31,800 BOE per day represents a greater than 50% increase in daily production compared to December 2017. In the second quarter, the Company completed 48 horizontal wells in the Mississippian-age Meramec/Osage section. Alta Mesa Upstream currently has eight rigs operating in the STACK play area and is adding a ninth rig during the third quarter of 2018. Cumulatively, Alta Mesa Upstream has now drilled about 350 horizontal wells in the STACK.

In light of production to date and the forward outlook for the drilling and completions schedule, the Company now expects 2018 exit production of 38,000 to 40,000 BOE per day and average production of 29,000 to 31,000 BOE per day for full year 2018.

### **Kingfisher Midstream and Produced Water Business Update**

Kingfisher Midstream's system gas volumes have grown by over 35% since the business combination. Estimated system gas volumes for July of 2018 averaged 112 MMcf per day compared to 82 MMcf per day in February. Third party volumes on the system have grown more than 85% since the business combination in early February. The Kingfisher 200 MMcf per day plant expansion was placed into service in April, increasing operated inlet capacity to 260 MMcf per day. With the start-up of the 200 MMCF per day plant, the business has achieved improved operating efficiencies and liquid product yields. Construction on the Cimarron Express Pipeline is proceeding with plans for mid-2019 commissioning.

To further expand the Kingfisher Midstream platform, the Company has begun the process of transferring the produced water business from Alta Mesa Upstream to Kingfisher Midstream. Alta Mesa Upstream designed a system that is readily expandable and is purpose-built for the ramp-up of produced water volumes from Alta Mesa Upstream and other third-party customers. This expanding system currently consists of over 200 miles of permanently installed pipe and 15 active produced water disposal wells. System expansion, including additional produced water disposal wells will continue through the remainder of the year, materially increasing system capacity to meet growing customer needs in the area. The transition of the system to Kingfisher Midstream's operating platform will best position the asset for continued growth and expansion. The formal transfer of the business is expected to be completed in 2018.

While Kingfisher Midstream has seen steady increases in system gas volumes, due to the timing of when Alta Mesa production and third party activity levels are expected to increase, Kingfisher Midstream no longer expects to achieve previously provided EBITDA guidance.

Craig Collins, Chief Operating Officer of Kingfisher Midstream, stated, "Despite the timing shift in volume growth, we continue to execute on our strategic vision for Kingfisher Midstream." Collins continued, "Solid basin fundamentals and enhanced business delivery capabilities provide visibility for Kingfisher's fee-based growth over time. While the timing of our customer's production ramp has changed, the benefit of our long-term acreage dedications is that we've captured significant value. Our ability to provide differentiated gas gathering and processing, crude gathering and transportation and produced water services from a single entity is unique within the basin and gives us confidence in our ability to expand our midstream footprint across the STACK."

### **Expansion into Step-Out Northwest STACK Area**

Alta Mesa Upstream and Kingfisher Midstream continue to expand their operational footprint in the Northwest STACK, primarily Major County. Encouraged by recent well results, specialty well logging and geological analysis, Alta Mesa Upstream is moving forward with its plans to drill additional wells in the area. Kingfisher Midstream has started construction of a new high-pressure pipeline with connectivity from Alta Mesa Upstream's southeast Major County acreage to Kingfisher Midstream's existing gathering system in Kingfisher County. When combined with a low pressure gathering buildout in southeast Major County, it will provide significant connectivity for producers into Kingfisher Midstream's existing gas gathering and processing system.

Alta Mesa has signed a letter agreement with a private operator related to operations and part ownership of approximately 17,000 acres in Major County, contiguous with Alta Mesa's existing acreage. Alta Mesa Upstream will be the operator of the combined acreage position. Additionally, the acreage will be dedicated to Kingfisher Midstream for gas, crude oil and produced water.

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## **Share Repurchase Program**

Alta Mesa's Board of Directors has authorized a program to repurchase up to \$50 million of outstanding Class A common stock. Repurchases may be made at the company's discretion in accordance with applicable securities laws from time to time in open market or private transactions. James Hackett, Alta Mesa's Executive Chairman of the Board, stated, "Today's announcement that we have authorized a share repurchase program reflects our confidence in Alta Mesa's core business and our commitment to enhancing shareholder value. We believe Alta Mesa represents an attractive investment opportunity, and our strong balance sheet provides the flexibility to make an attractive investment in our own assets."

## **Conference Call Information**

Alta Mesa invites you to listen to its conference call which will discuss its financial and operational results at 10:00 a.m., Central time, on Tuesday, August 14, 2018. If you wish to participate in this conference call, dial 888-347-8149 (toll free in US/Canada) or 412-902-4228 (for International calls), five to ten minutes before the scheduled start time. A webcast of the call and any related materials will be available on Alta Mesa's website at <http://altamesaresources.irpass.com/>. Additionally, a replay of the conference call will be available for one week following the live broadcast by dialing 844-512-2921 (toll free in US/Canada) or 412-317-6671 (International calls), and referencing Conference ID #10122874.

*Alta Mesa Resources, Inc., is an independent energy company focused on the development and acquisition of unconventional oil and natural gas reserves in the Anadarko Basin in Oklahoma, and through Kingfisher Midstream, LLC, provides best-in-class midstream energy services, including crude oil and gas gathering, processing and marketing to producers in the STACK play. Alta Mesa Resources, Inc. is headquartered in Houston, Texas.*

## **Safe Harbor Statement and Disclaimer**

This press release includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical fact, regarding Alta Mesa's strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this press release, the words "could", "should", "will", "play", "believe", "anticipate", "intend", "estimate", "expect", "project" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on Alta Mesa's current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events. Forward-looking statements may include statements about Alta Mesa's: business strategy; financial strategy; future oil and natural gas prices; timing and amount of future production of oil and natural gas; future drilling plans; proposed expansion and transfer to Kingfisher of AMHLP's produced water infrastructure platform; production guidance; completion of Cimarron Express Pipeline construction; future share repurchases; marketing of oil and natural gas; leasehold or business acquisitions, including the completion of the transaction with a private operator; costs of developing its properties; liquidity and access to capital; uncertainty regarding its future operating results; and plans, objectives, expectations and intentions contained in this press release that are not historical. Alta Mesa cautions you that these forward-looking statements are subject to all of the risks and uncertainties, most of which are difficult to predict and many of which are beyond its control, incident to the exploration for and development and production of oil and natural gas. These risks include, but are not limited to, commodity price volatility, low prices for oil and/or natural gas, global economic conditions, inflation, increased operating cost, lack of availability of drilling and production equipment and services, environmental risks, weather risks, drilling and other operating risks, regulatory

changes, the uncertainty inherent in estimating oil and natural gas reserves and in projecting future rates of production, cash flow and access to capital, the timing of development expenditures, and other risks. Information concerning these and other factors can be found in Alta Mesa's filings with the SEC, including its Forms 10-K, 10-Q and 8-K, which can be obtained free of charge on the SEC's web site at <http://www.sec.gov>. Should one or more of the risks or uncertainties described in this press release occur, or should underlying assumptions prove incorrect, Alta Mesa's actual results and plans could differ materially from those expressed in any forward-looking statements. All forward-looking statements, expressed or implied, included in this press release are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that we may issue. Except as otherwise required by applicable law, Alta Mesa disclaims any duty to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date of this press release.

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**ALTA MESA RESOURCES, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)**  
(in thousands, except share and per share data)

|   | <b>Successor</b><br><br><b>Three Months Ended June 30, 2018</b> | <b>Predecessor</b><br><br><b>Three Months Ended June 30, 2017</b> | <b>Successor</b><br><br><b>February 9, 2018 Through June 30, 2018</b> | <b>Predecessor</b><br><br><b>January 1, 2018 Through February 8, 2018</b> | <b>Predecessor</b><br><br><b>Six Months Ended June 30, 2017</b> |
|---|---|---|---|---|---|
| <b>OPERATING REVENUES AND OTHER</b>     |   |   |   |   |   |
| Oil                                     | \$ 75,291   | \$ 42,348   | \$ 115,569  | \$ 30,972   | \$ 89,288   |
| Natural gas                             | 7,980   | 10,642  | 13,190  | 4,276   | 20,233  |
| Natural gas liquids                     | 10,241  | 6,581   | 14,955  | 4,000   | 13,653  |
| Product sales                           | 19,605  | —   | 27,974  | —   | —   |
| Gathering and processing revenue        | 7,073   | —   | 10,484  | —   | —   |
| Other revenues                          | 2,229   | 1,979   | 2,784   | 888   | 3,213   |
| Total operating revenues                | <u>122,419</u>  | <u>61,550</u>   | <u>184,956</u>  | <u>40,136</u>   | <u>126,387</u>  |
| Gain (loss) on sale of assets and other | (63)  | —   | 5,916   | —   | —   |
| Gain (loss) on derivative contracts     | (29,219)  | 18,250  | (51,865)  | 7,298   | 48,492  |
| Total operating revenues and other      | <u>93,137</u>   | <u>79,800</u>   | <u>139,007</u>  | <u>47,434</u>   | <u>174,879</u>  |
| <b>OPERATING EXPENSES</b>               |   |   |   |   |   |
| Lease operating expense                 | 12,679  | 11,480  | 20,996  | 4,485   | 22,490  |
| Marketing and transportation expense    | 2,173   | 6,510   | 3,194   | 3,725   | 12,172  |
| Plant operating expense                 | 3,313   | —   | 3,900   | —   | —   |
| Product expense                         | 19,383  | —   | 27,603  | —   | —   |
| Gathering and processing expense        | 3,240   | —   | 5,578   | —   | —   |
| Production taxes                        | 2,606   | 1,184   | 4,021   | 953   | 2,450   |

|   |            |             |             |             |          |
|---|------------|-------------|-------------|-------------|----------|
| Workover expense  | 333        | 1,102       | 1,578       | 423         | 1,690    |
| Exploration expense   | 8,083      | 3,192       | 13,038      | 3,635       | 8,239    |
| Depreciation, depletion,<br>and amortization<br>expense   | 33,773     | 20,110      | 49,350      | 11,784      | 39,088   |
| Impairment expense  | —          | —           | —           | —           | 1,188    |
| Accretion expense   | 161        | 30          | 263         | 39          | 126      |
| General and<br>administrative expense   | 22,456     | 8,293       | 57,013      | 24,352      | 18,029   |
| Total operating<br>expenses   | 108,200    | 51,901      | 186,534     | 49,394      | 105,472  |
| INCOME (LOSS) FROM<br>OPERATIONS  | (15,063)   | 27,899      | (47,527)    | (1,960)     | 69,407   |
| OTHER INCOME<br>(EXPENSE)   |            |             |             |             |          |
| Interest expense  | (11,779)   | (12,578)    | (17,223)    | (5,511)     | (24,620) |
| Interest income and<br>other  | 824        | 299         | 1,370       | 172         | 548      |
| Total other income<br>(expense), net  | (10,955)   | (12,279)    | (15,853)    | (5,339)     | (24,072) |
| INCOME (LOSS) FROM<br>CONTINUING OPERATIONS   |            |             |             |             |          |
| BEFORE INCOME TAXES   | (26,018)   | 15,620      | (63,380)    | (7,299)     | 45,335   |
| Income tax provision<br>(benefit)   | (3,678)    | —           | (7,491)     | —           | 285      |
| INCOME (LOSS) FROM<br>CONTINUING OPERATIONS   | (22,340)   | 15,620      | (55,889)    | (7,299)     | 45,050   |
| Loss from discontinued<br>operations, net of tax  | —          | (30,934)    | —           | (7,593)     | (35,449) |
| NET INCOME (LOSS)   | (22,340)   | (15,314)    | (55,889)    | (14,892)    | 9,601    |
| Net loss attributable to<br>non-controlling interest  | (15,896)   | —           | (36,210)    | —           | —        |
| NET INCOME (LOSS)<br>ATTRIBUTABLE TO ALTA<br>MESA RESOURCES, INC.                                     |            |             |             |             |          |
| STOCKHOLDERS  | \$ (6,444) | \$ (15,314) | \$ (19,679) | \$ (14,892) | \$ 9,601 |
| NET INCOME (LOSS) PER<br>COMMON SHARE<br>ATTRIBUTABLE TO ALTA<br>MESA RESOURCES INC.<br>STOCKHOLDERS: |            |             |             |             |          |
| Basic   | \$ (0.04)  |             | \$ (0.11)   |             |          |
| Diluted   | \$ (0.04)  |             | \$ (0.12)   |             |          |

**ALTA MESA RESOURCES, INC.  
CONSOLIDATED BALANCE SHEETS (Unaudited)  
(in thousands, except share and per share data)**

| Successor        | Predecessor             |
|------------------|-------------------------|
| June 30,<br>2018 | December<br>31,<br>2017 |

**ASSETS**

CURRENT ASSETS

|   |                |               |
|---|----------------|---------------|
| Cash and cash equivalents                 | \$ 82,398      | \$ 3,660      |
| Restricted cash                           | 1,022          | 1,269         |
| Accounts receivable, net                  | 115,222        | 76,161        |
| Other receivables                         | 226            | 1,388         |
| Receivables due from related party        | 12,643         | 790           |
| Note receivable due from related party    | 1,609          | —             |
| Prepaid expenses and other current assets | 4,174          | 2,932         |
| Current assets — discontinued operations  | —              | 5,195         |
| Derivative financial instruments          | —              | 216           |
| Total current assets                      | <u>217,294</u> | <u>91,611</u> |

**PROPERTY, PLANT AND EQUIPMENT**

|  |                  |                |
|--|------------------|----------------|
| Oil and natural gas properties, successful efforts method, net | 2,550,519        | 894,630        |
| Other property, plant and equipment, net                       | <u>343,357</u>   | <u>32,140</u>  |
| Total property, plant and equipment, net                       | <u>2,893,876</u> | <u>926,770</u> |

**OTHER ASSETS**

|  |                            |                            |
|--|----------------------------|----------------------------|
| Equity method investment                     | 6,956                      | —                          |
| Deferred financing costs, net                | 3,518                      | 1,787                      |
| Notes receivable due from related party      | 11,262                     | 12,369                     |
| Goodwill                                     | 699,898                    | —                          |
| Intangible assets, net                       | 408,706                    | —                          |
| Deposits and other long-term assets          | 50                         | 9,067                      |
| Non-current assets — discontinued operations | —                          | 43,785                     |
| Deferred tax asset                           | 11,954                     | —                          |
| Derivative financial instruments             | —                          | 8                          |
| Total other assets                           | <u>1,142,344</u>           | <u>67,016</u>              |
| <b>TOTAL ASSETS</b>                          | <b><u>\$ 4,253,514</u></b> | <b><u>\$ 1,085,397</u></b> |

**LIABILITIES, PARTNERS' CAPITAL AND STOCKHOLDERS' EQUITY****CURRENT LIABILITIES**

|   |                |                |
|---|----------------|----------------|
| Accounts payable and accrued liabilities      | \$ 148,866     | \$ 170,489     |
| Accounts payable — affiliate                  | —              | 5,476          |
| Advances from non-operators                   | 6,283          | 5,502          |
| Advances from related party                   | 37,135         | 23,390         |
| Asset retirement obligations                  | 538            | 69             |
| Current liabilities — discontinued operations | —              | 15,419         |
| Derivative financial instruments              | <u>37,743</u>  | <u>19,303</u>  |
| Total current liabilities                     | <u>230,565</u> | <u>239,648</u> |

**LONG-TERM LIABILITIES**

|  |                       |                       |
|--|-----------------------|-----------------------|
| Asset retirement obligations, net of current portion | 6,439                 | 10,400                |
| Long-term debt, net                                  | 595,084               | 607,440               |
| Noncurrent liabilities — discontinued operations     | —                     | 66,862                |
| Derivative financial instruments                     | 6,385                 | 1,114                 |
| Deferred tax liability                               | 4,893                 | —                     |
| Other long-term liabilities                          | 6                     | 5,488                 |
| Total long-term liabilities                          | <u>612,807</u>        | <u>691,304</u>        |
| <b>TOTAL LIABILITIES</b>                             | <b><u>843,372</u></b> | <b><u>930,952</u></b> |

**PREFERRED STOCK, \$0.0001 par value**

|   |   |   |
|---|---|---|
| Class A: 1,000,000 shares authorized; 3 shares issued and outstanding | — | — |
| Class B: 1,000,000 shares authorized; 1 share issued and outstanding  | — | — |
| <b>Commitments and Contingencies</b>                                  |   |   |

| PARTNERS' CAPITAL<br>STOCKHOLDERS' EQUITY  |              |  |              |
|--|--------------|--|--------------|
| Common stock, \$0.0001 par value   |              |  |              |
| Class A: 1,200,000,000 shares authorized;<br>180,730,114 shares issued and outstanding | 18           |  | —            |
| Class C: 280,000,000 shares authorized; 204,921,888 shares<br>issued and outstanding   | 20           |  | —            |
| Additional paid in capital   | 1,498,023    |  | —            |
| Accumulated deficit  | (27,793)     |  | —            |
| Total stockholders' equity/partners' capital   | 1,470,268    |  | 154,445      |
| Noncontrolling interest  | 1,939,874    |  | —            |
| Total equity   | 3,410,142    |  | 154,445      |
| TOTAL LIABILITIES, PARTNERS' CAPITAL AND STOCKHOLDERS'<br>EQUITY                       | \$ 4,253,514 |  | \$ 1,085,397 |

**ALTA MESA RESOURCES, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited, in thousands)**

|  | Successor                   | Predecessor                    |  |
|--|-----------------------------|--------------------------------|--|
|  | February 9,<br>2018         | January 1,<br>2018             | Six<br>Months<br>Ended<br>June 30,<br>2017 |
|  | Through<br>June 30,<br>2018 | Through<br>February 8,<br>2018 |  |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>   |                             |                                |  |
| Net income (loss)  | \$ (55,889)                 | \$ (14,892)                    | \$ 9,601                                   |
| Adjustments to reconcile net income (loss) to net cash (used in) provided by operating activities: |                             |                                |  |
| Depreciation, depletion, and amortization expense  | 49,350                      | 12,414                         | 51,298                                     |
| Impairment expense   | —                           | 5,560                          | 29,124                                     |
| Accretion expense  | 263                         | 140                            | 1,052                                      |
| Amortization of deferred financing costs   | 152                         | 171                            | 1,456                                      |
| Amortization of debt premium   | (2,051)                     | —                              | —  |
| Equity-based compensation expense  | 7,729                       | —                              | —  |
| Dry hole expense   | —                           | (45)                           | 888  |
| Expired leases   | 10,658                      | 1,250                          | 5,922                                      |
| (Gain) loss on derivative contracts  | 51,865                      | (7,298)                        | (48,492)                                   |
| Settlements of derivative contracts  | (18,969)                    | (1,661)                        | 254  |
| Premium paid on derivative contracts   | —                           | —                              | (520)                                      |
| Interest converted into debt   | —                           | 103                            | 599  |
| Interest on notes receivable due from related party  | (417)                       | (85)                           | (406)                                      |
| Deferred tax provision (benefit)   | (7,491)                     | —                              | —  |
| Loss on sale of assets and other   | 63                          | 1,923                          | —  |
| Gain on acquisition of oil and gas properties  | —                           | —                              | (1,626)                                    |
| Changes in assets and liabilities:   |                             |                                |  |
| Accounts receivable  | (8,585)                     | (20,895)                       | (11,478)                                   |
| Other receivables  | 996                         | (9,887)                        | 4,281                                      |
| Receivables due from related party   | (6,818)                     | (117)                          | (680)                                      |
| Prepaid expenses and other non-current assets  | 8,114                       | 9,970                          | (11,644)                                   |
| Advances from related party  | (10,371)                    | 24,116                         | (42,528)                                   |

|  |          |        |         |
|--|----------|--------|---------|
| Accounts payable, accrued liabilities, and other liabilities | (80,638) | 25,815 | 7,655   |
| NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES          | (62,845) | 26,519 | (6,221) |

**CASH FLOWS FROM INVESTING ACTIVITIES:**

|  |           |          |           |
|--|-----------|----------|-----------|
| Capital expenditures for property, plant and equipment | (342,608) | (38,096) | (151,832) |
| Acquisitions, net of cash acquired                     | (791,819) | —        | (6,251)   |
| Contributions to equity method investments             | (6,956)   | —        | —         |
| Proceeds withdrawn from Trust Account                  | 1,042,742 | —        | —         |
| Proceeds from sale of assets                           | 11        | —        | —         |
| NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES    | (98,630)  | (38,096) | (158,083) |

**CASH FLOWS FROM FINANCING ACTIVITIES:**

|   |           |           |          |
|---|-----------|-----------|----------|
| Proceeds from long-term debt  | 80,000    | 60,000    | 165,065  |
| Repayments of long-term debt  | (193,565) | (43,000)  | (10,000) |
| Additions to deferred financing costs                                 | (3,670)   | —         | (170)    |
| Capital distributions   | —         | (68)      | —        |
| Capital contributions   | —         | —         | 7,875    |
| Proceeds from issuance of Class A shares                              | 400,000   | —         | —        |
| Repayment of sponsor note   | (2,000)   | —         | —        |
| Repayment of deferred underwriting compensation                       | (36,225)  | —         | —        |
| Redemption of Class A common shares                                   | (33)      | —         | —        |
| NET CASH PROVIDED BY FINANCING ACTIVITIES                             | 244,507   | 16,932    | 162,770  |
| NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH | 83,032    | 5,355     | (1,534)  |
| CASH, CASH EQUIVALENTS AND RESTRICTED CASH, beginning of period       | 388       | 4,990     | 7,618    |
| CASH, CASH EQUIVALENTS AND RESTRICTED CASH, end of period             | \$ 83,420 | \$ 10,345 | \$ 6,084 |

**\*Non-GAAP Financial Information and Reconciliation**

Alta Mesa Reconciliation of Net Loss to Adjusted EBITDAX. Adjusted EBITDAX is a non-GAAP financial measure and as used herein represents net income (loss) before interest expense, exploration expense, depletion, depreciation and amortization, impairment of oil and natural gas properties, accretion of asset retirement obligations, tax expense, gain (loss) on sale of assets and the non-cash portion of gain/loss on oil, natural gas and natural gas liquids derivative contracts. Alta Mesa's management believes Adjusted EBITDAX is useful because it allows external users of our consolidated financial statements, such as industry analysts, investors, lenders and rating agencies, to more effectively evaluate our operating performance, compare the results of our operations from period to period and against our peers without regard to our financing methods or capital structure and because it highlights trends in our business that may not otherwise be apparent when relying solely on GAAP measures. Adjusted EBITDAX is not a measurement of Alta Mesa's financial performance under GAAP, and should not be considered as an alternative to net income (loss), operating income (loss) or any other performance measure derived in accordance with GAAP or as an alternative to net cash provided by operating activities as a measure of Alta Mesa's profitability or liquidity. Adjusted EBITDAX has significant limitations, including that it does not reflect Alta Mesa's cash requirements for capital expenditures, contractual commitments, working capital or debt service. In addition, other companies may calculate Adjusted EBITDAX differently than Alta Mesa does, limiting its usefulness as a comparative measure. The following table sets forth a reconciliation of net income (loss) as determined in accordance with GAAP to Adjusted EBITDAX for the periods indicated (unaudited in thousands):

**Alta Mesa EBITDAX Calculation  
(Non-GAAP Measure)**

|  | Successor        | Predecessor      | Successor        |
|--|------------------|------------------|------------------|
| Net Loss attributable to Alta Mesa               | \$ (19,679)      | \$ (14,892)      | \$ (6,444)       |
| Net Loss attributable to Noncontrolling Interest | (36,210)         | -                | (15,896)         |
| Taxes  | (7,491)          | -                | (3,678)          |
| Interest   | 17,223           | 5,511            | 11,779           |
| (Gain) Loss on sale of assets and other          | (5,916)          | -                | 63               |
| Loss from discontinued operations, net           | -                | 7,593            | -                |
| (Gain) Loss on derivative contracts              | 51,865           | (7,298)          | 29,219           |
| Settlements of derivative contracts              | (18,969)         | (1,661)          | (14,359)         |
| Exploration                                      | 13,038           | 3,633            | 8,083            |
| Depreciation, depletion and amortization         | 49,350           | 11,784           | 33,773           |
| Accretion expense                                | 263              | 39               | 161              |
| Stock compensation expense                       | 7,729            | -                | 4,263            |
| EBITDAX  | 51,203           | 4,709            | 46,964           |
| Non-recurring Business Combination Expense       | 25,734           | 17,040           | 443              |
| Adjusted EBITDAX                                 | <u>\$ 76,937</u> | <u>\$ 21,749</u> | <u>\$ 47,407</u> |

**AMHLP and Kingfisher  
EBITDAX Calculation (Non-GAAP Measure)**

|  | Q2-2018<br>Successor | Q2-2018<br>Successor | YTD 2018<br>Successor | YTD 2018<br>Successor |
|--|----------------------|----------------------|-----------------------|-----------------------|
|  | AMHLP                | Kingfisher           | AMHLP                 | Kingfisher            |
| Net Loss to Alta Mesa                      | \$ (22,477)          | \$ (3,049)           | \$ (57,048)           | \$ (4,913)            |
| Taxes                                      | 7                    | -                    | 7                     | -                     |
| Interest                                   | 10,361               | 1,418                | 15,557                | 1,666                 |
| (Gain) loss on sale of assets and other    | 63                   | -                    | (5,916)               | -                     |
| Loss on derivative contracts               | 29,219               | -                    | 51,865                | -                     |
| Settlements of derivative contracts        | (14,359)             | -                    | (18,969)              | -                     |
| Exploration                                | 8,083                | -                    | 13,038                | -                     |
| Depreciation, depletion and amortization   | 26,509               | 7,264                | 37,445                | 11,905                |
| Accretion expense                          | 161                  | -                    | 263                   | -                     |
| Stock compensation expense                 | 3,621                | 465                  | 6,389                 | 507                   |
| EBITDAX                                    | 41,188               | 6,098                | 42,631                | 9,165                 |
| Non-recurring Business Combination Expense | 443                  | -                    | 25,734                | -                     |
| Adjusted EBITDAX                           | <u>\$ 41,631</u>     | <u>\$ 6,098</u>      | <u>\$ 68,365</u>      | <u>\$ 9,165</u>       |

\*Successor Company and Period:

The financial statements and certain footnote presentations separate the Company's presentations into two distinct periods, the period before the consummation of the Business Combination, which is from January 1, 2018 to February 8, 2018 ("2018 Predecessor Period") and the period after the consummation of the Business Combination, which is from February 9, 2018 to June 30, 2018 ("Successor Period"), to indicate the application of the different basis of accounting between the periods presented. The three months ended June 30, 2017 is referred to as the "2017 Predecessor Period". AMHLP is the "Predecessor" for periods prior to the Business Combination, which do not include the consolidation of the Company and Kingfisher. For the periods after the Business Combination, Alta Mesa Resources, including the consolidation of AMHLP and Kingfisher, is the "Successor".

Prices

Below is a table of average hedged and unhedged prices received by AMHLP.

|  |         |
|--|---------|
| Average Prices including settlements of derivative contracts | Q2-2018 |
| Oil (per Bbl)  | \$54.29 |
| Natural Gas (per Mcf)  | 2.02    |
| Natural Gas Liquids (per Bbl)                                | 18.47   |

|  |         |
|--|---------|
| Average Prices excluding settlements of derivative contracts | Q2-2018 |
| Oil (per Bbl)  | \$67.09 |
| Natural Gas (per Mcf)  | 2.02    |
| Natural Gas Liquids (per Bbl)                                | 18.47   |